

HOUSE BILL No. 1332

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33.

Synopsis: Docked riverboat gaming and admissions taxes. Provides that a riverboat owner may conduct gambling games while the riverboat is docked. Allows the continuous ingress and egress of passengers for the purpose of gambling. Changes the basis for imposing the riverboat admissions tax from the number of persons admitted to the number of persons on board at the time a passenger count is recorded. Provides that a person who knowingly or intentionally aids, induces, or causes a person less than 21 years of age and who is not an employee of the riverboat to enter or attempt to enter the riverboat, commits a Class A misdemeanor. Provides that a person who is less than 21 years of age and who is not an employee of the riverboat who knowingly or intentionally enters or attempts to enter a riverboat commits a Class C misdemeanor. Increases the riverboat admissions tax from \$3 to \$4. Provides that the additional \$1 of the admissions tax must be paid into the property tax replacement fund for the purpose of providing additional homestead credits in each Indiana county.

Effective: July 1, 2001.

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January 9, 2001, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.



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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1332

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-33-2-7 IS AMENDED TO READ AS FOLLOWS
- 2 [EFFECTIVE JULY 1, 2001]: Sec. 7. "Dock" means the location where
- 3 ~~an excursion~~ a riverboat moors for the purpose of embarking
- 4 passengers for and disembarking passengers from a ~~gambling~~
- 5 ~~excursion~~ **the riverboat.**
- 6 SECTION 2. IC 4-33-2-15.5 IS ADDED TO THE INDIANA CODE
- 7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 8 1, 2001]: Sec. 15.5. "Patron" means an individual who:
- 9 (1) boards a riverboat; and
- 10 (2) is not entitled to receive a tax free pass.
- 11 SECTION 3. IC 4-33-2-16.5 IS ADDED TO THE INDIANA CODE
- 12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 13 1, 2001]: Sec. 16.5. "Reporting period" means a twenty-four (24)
- 14 hour increment used by the department to assess taxes under this
- 15 article commencing at 6 a.m. each day and concluding at 5:59 a.m.
- 16 the following day.
- 17 SECTION 4. IC 4-33-2-17 IS AMENDED TO READ AS

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IN 1332—LS 7658/DI 92+



1 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 17. "Riverboat" means
 2 a self-propelled excursion boat **or a permanently moored vessel**
 3 located in a county described in IC 4-33-1-1. ~~on which lawful gambling~~
 4 ~~is authorized and licensed under this article.~~

5 SECTION 5. IC 4-33-4-10 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. The commission
 7 shall authorize the route of a riverboat and the stops, if any, that the
 8 riverboat may make **while on a cruise.**

9 SECTION 6. IC 4-33-4-21.2 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 21.2. (a) The Indiana
 11 gaming commission shall require a licensed owner to conspicuously
 12 display the number of the toll free telephone line described in
 13 IC 4-33-12-6 in the following locations:

14 (1) On each admission ticket to a riverboat, ~~gambling excursion.~~
 15 **if admission tickets are issued.**

16 (2) On a poster or placard that is on display in a public area of
 17 each riverboat where gambling games are conducted.

18 (b) The toll free telephone line described in IC 4-33-12-6 must be:

19 (1) maintained by the division of mental health under
 20 IC 12-23-1-6; and

21 (2) funded by the addiction services fund established by
 22 IC 12-23-2-2.

23 (c) The commission may adopt rules under IC 4-22-2 necessary to
 24 carry out this section.

25 SECTION 7. IC 4-33-6-6 IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) A riverboat that ~~operates in~~
 27 **cruses from** a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2)
 28 must:

29 (1) have a valid certificate of inspection from the United States
 30 Coast Guard for the carrying of at least five hundred (500)
 31 passengers; and

32 (2) be at least one hundred fifty (150) feet in length.

33 (b) A riverboat that ~~operates~~ **cruses** on Patoka Lake must:

34 (1) have the capacity to carry at least five hundred (500)
 35 passengers;

36 (2) be at least one hundred fifty (150) feet in length; and

37 (3) meet safety standards required by the commission.

38 (c) ~~This subsection applies only to a riverboat that operates on the~~
 39 ~~Ohio River. A riverboat must replicate, as nearly as possible, historic~~
 40 ~~Indiana steamboat passenger vessels of the nineteenth century.~~
 41 ~~However, steam propulsion or overnight lodging facilities are not~~
 42 ~~required under this subsection.~~

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SECTION 8. IC 4-33-6-9 IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2001]: Sec. 9. (a) A licensed owner must post
 a bond with the commission at least sixty (60) days before the
 commencement of **regular gambling on the riverboat.** ~~excursions.~~

(b) The bond shall be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution
 of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the
 principal shall be placed without restriction at the disposal of the
 commission, but income inures to the benefit of the licensee.

(d) The bond:

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will
 adequately reflect the amount that a local community will expend
 for infrastructure and other facilities associated with a riverboat
 operation; and

(3) must be payable to the commission as obligee for use in
 payment of the licensed owner's financial obligations to the local
 community, the state, and other aggrieved parties, as determined
 by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the
 commission determines that the amount of a licensed owner's bond is
 insufficient, the licensed owner shall upon written demand of the
 commission file a new bond.

(f) The commission may require a licensed owner to file a new bond
 with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment
 rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond
 becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is
 unsatisfactory, the commission shall cancel the owner's license. If the
 new bond is satisfactorily furnished, the commission shall release in
 writing the surety on the old bond from any liability accruing after the
 effective date of the new bond.

(h) A bond is released on the condition that the licensed owner
 remains at the site for which the owner's license is granted for the
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(1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

SECTION 9. IC 4-33-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) An owner's license issued under this chapter permits the holder to own and operate one (1) riverboat and equipment for each license.

(b) **An owner's license issued under this chapter permits the holder to conduct gambling games authorized under this article while the riverboat is docked and to allow the continuous ingress and egress of passengers for the purposes of gambling.**

(c) An owner's license issued under this chapter must specify the place where the riverboat must operate and dock. However, the commission may permit the riverboat to dock at a temporary dock in the applicable city for a specific period of time not to exceed one (1) year after the owner's license is issued.

~~(c)~~ (d) An owner's initial license expires five (5) years after the effective date of the license.

SECTION 10. IC 4-33-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. The commission may revoke an owner's license if:

(1) the licensee begins regular ~~riverboat excursions~~ **operations** more than twelve (12) months after receiving the commission's approval of the application for the license; and

(2) the commission determines that the revocation of the license is in the best interests of Indiana.

SECTION 11. IC 4-33-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) Except as provided in subsection (b), a riverboat ~~excursions~~ **cruise** may not

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1 exceed ~~four (4)~~ **two (2)** hours for a round trip.

2 (b) Subsection (a) does not apply to an extended cruise that is
3 expressly approved by the commission.

4 SECTION 12. IC 4-33-9-14 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14. (a) This section
6 applies only to a riverboat that operates from a county that is
7 contiguous to the Ohio River.

8 (b) A gambling ~~excursion~~ **cruise** is permitted only when the
9 navigable waterway for which the riverboat is licensed is navigable, as
10 determined by the commission in consultation with the United States
11 Army Corps of Engineers.

12 SECTION 13. IC 4-33-10-1 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. **(a)** A person who
14 knowingly or intentionally:

15 (1) makes a false statement on an application submitted under this
16 article;

17 (2) operates a ~~gambling excursion in riverboat on~~ which
18 wagering is conducted or is to be conducted in a manner other
19 than the manner required under this article;

20 (3) permits a person less than twenty-one (21) years of age to
21 make a wager;

22 **(4) aids, induces, or causes a person less than twenty-one (21)**
23 **years of age who is not an employee of the riverboat gambling**
24 **operation to enter or attempt to enter a riverboat;**

25 **(5) wagers or accepts a wager at a location other than a riverboat;**
26 **or**

27 ~~(5)~~ **(6)** makes a false statement on an application submitted to the
28 commission under this article;

29 commits a Class A misdemeanor.

30 **(b) A person who:**

31 **(1) is not an employee of the riverboat gambling operation;**

32 **(2) is less than twenty-one (21) years of age; and**

33 **(3) knowingly or intentionally enters or attempts to enter a**
34 **riverboat;**

35 **commits a Class C misdemeanor.**

36 SECTION 14. IC 4-33-10-5 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. An action to
38 prosecute a crime occurring during a gambling ~~excursion on a~~
39 **riverboat** shall be tried in the county of the dock where the riverboat
40 is based.

41 SECTION 15. IC 4-33-12-1 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. **(a)** A tax is imposed

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on admissions to ~~gambling excursions~~ **a riverboat** authorized under this article at a rate of ~~three~~ **four** dollars ~~(\$3)~~ **(\$4)** for each ~~person admitted to the gambling excursion.~~ **patron who is on board at the time a passenger count is recorded.**

(b) Passenger counts must be recorded one (1) hour after the riverboat begins admitting patrons during a reporting period, and once every two (2) hours thereafter under procedures approved by the commission.

(c) This admission tax is imposed upon the licensed owner conducting the ~~gambling excursion.~~ of the riverboat.

SECTION 16. IC 4-33-12-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsection (c), the treasurer of state shall quarterly pay the following amounts:

(1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

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(5) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(7) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(c) With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on the riverboat during the quarter.

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(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(5) The division of mental health shall receive ten cents (\$0.10) of the admissions tax collected for each person embarking on the riverboat during the quarter. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(d) Money paid to a unit of local government under subsection (b)(1) through (b)(2) or subsection (c)(1):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; and

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(e) Money paid by the treasurer of state under subsection (b)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(f) Money received by the division of mental health under subsections (b)(5) and (c)(5):

(1) is annually appropriated to the division of mental health;

(2) shall be distributed to the division of mental health at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(g) Money paid by the treasurer of state under subsection (b)(7) must be used to increase the total amount of homestead tax credits

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1 that are provided under IC 6-1.1-20.9 and allowed by each Indiana
2 county. The property tax replacement fund board established
3 under IC 6-1.1-21-10 shall compute the amount of additional
4 homestead credits provided under this subsection and certify that
5 amount to each county auditor before January 1 of each year.

6 SECTION 17. THE FOLLOWING ARE REPEALED [EFFECTIVE
7 JULY 1, 2001]: IC 4-33-2-8; IC 4-33-2-9; IC 4-33-12-2.
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